

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7302**

**BILL NUMBER:** HB 1520

**NOTE PREPARED:** Jan 16, 2015

**BILL AMENDED:**

**SUBJECT:** Medicaid Coverage for Fluoride Dental Treatments.

**FIRST AUTHOR:** Rep. Heaton

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill adds fluoride treatments for individuals who reside in a health facility to the services that are provided under Medicaid.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** The state share of fluoride treatments for individuals residing in health facilities is estimated at \$535,160, assuming that this is fee-for-service payment and that the cost of the treatment is not incorporated into the base rates paid to nursing homes.

Also, FSSA would be required to submit a State Plan amendment and amend its administrative rules to allow for fluoride treatments for individuals of any age in a nursing home to receive services. This process is a routine function of the FSSA and should be accomplished within the current level of resources available to the agency.

**Additional Information** - The state plan currently allows reimbursement for one topical application of fluoride every six months per recipient for patients who are between 12 months of age and 21 years of age.

The reimbursement rate for a topical fluoride varnish is \$22.39. For FY 2016 and FY 2017, there are estimated to be 35,674 people on average in institutions who are Medicaid eligible. (The number excludes the estimated number of children in institutions who would already qualify for fluoride treatments paid by Medicaid.)

Assuming that each institutionalized person receives two treatments a year, the total cost would be about \$1.6 M per year, on average, and the state share would be about \$535,160.

Medicaid is jointly funded by the state and federal governments. The effective state share of program expenditures is approximately 33.5% for most current services. Current Medicaid medical services are matched by the effective federal match rate (FMAP) in Indiana at approximately 66.5%. Administrative expenditures with certain exceptions are matched at the federal rate of 50%.

Fluoride treatment is generally a varnish that is applied to the teeth to disrupt the bacteria that cause dental caries or cavities.

**Explanation of State Revenues:** See *Explanation of State Expenditures* for information on federal match of treatment costs.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** FSSA.

**Local Agencies Affected:**

**Information Sources:** Robert Glass, 405 IAC 5-14-4 Topical fluoride; CDC, *Recommendations for Using Fluoride to Prevent and Control Dental Caries in the United States*, August 17, 2001 / 50(RR14);1-42, *State Medicaid Payment for Caries Prevention Services by Non-Dental Professionals*, Last Updated June 2013, accessed at <http://www2.aap.org/oralhealth/docs/OHReimbursementChart.pdf>; Ed Popcheff, Indiana Dental Association. SB 397-2014, Robert M. Damler, Milliman, *Budget Committee Forecast Presentation, SFY 2014 through SFY 2017*.

**Fiscal Analyst:** Karen Rossen, 317-234-2106.